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THE ECONOMIC IMPACT OF THE ARTS IN ALBERTA

THIS REPORT IS BASED ON A STUDY
CARRIED OUT BY WOODS GORDON
IN 1984

Alberta
CULTURE
ECONOMIC DEVELOPMENT

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ARTS COMPONENTS WITHIN AND OUTSIDE STUDY SCOPE

WITHIN STUDY SCOPE			OUTSIDE STUDY SCOPE		
	CATEGORY	SUB-CATEGORY		CATEGORY	SUB-CATEGORY
1.	Historic Resources	1.1 Museums	1.	Historic Resources	1.1 Historic Sites, Building Conservation
					1.2 Zoos
					1.3 Planetaria
					1.4 Botanical Gardens
					1.5 Archives
2.	Book Publishing/Literary Arts	2.1 Writers Guild	2.	Book Publishing/ Literary Arts	2.1 Libraries
		2.2 Publishers			2.2 Magazines & Periodicals
					2.3 Bookstores
3.	Visual Arts/ Crafts	3.1.1 Painters	3.	Visual Arts/ Crafts	3.1 Industrial Arts
		3.1.2 Drawers			3.2 Retail Suppliers
		3.1.3 Designers			3.3 Video
		3.1.4 Graphics			3.4 Metal Art
		3.1.5 Photographers			3.5 Craft Shows
		3.1.6 Ceramics			
		3.1.7 Glass			
		3.1.8 Sculptures			
		3.1.9 Fiber			
		3.2.1 Public Art			
		3.2.2 Commercial Art Galleries			
		3.2.3 Art Foundries			
		3.3 Private Dealers/ Consultants			
		3.4 Collectors			
4.	Film and Recording	4.3.1 Film Companies	4.	Film and Recording	4.1 Movie Theatres
		4.3.2 Post Production Services			4.2 Audio/Visual
					4.3 Film Laboratories
		4.3.3 Sound Services			4.4 Production Managers
					4.5 Casting Agents
					4.6 Recording Studios
					4.7 Grips & Gaffers
					4.8 Suppliers
					4.9 Music Arranger/ Composer
5.	Performing Arts	5.1.1 Drama Facilities	5.	Performing Arts	5.1 Taverns and Other Similar Venues
		5.1.2 Drama Groups			5.2 Promoters
		5.2 Dance Groups			5.3 Actors
		5.3.1 Music Groups			
		5.3.2 Music Individuals			
		5.4 Sponsoring Organizations			
		5.5 Festival Organizations			

EXECUTIVE SUMMARY

ECONOMIC IMPACT

The primary objective of this Study was to determine the economic (including employment) impact of the 'Arts' in Alberta. Based upon the defined scope of 'Arts' in the Study, and within other limitations detailed throughout this Report, the estimated impacts are:

o economic impact	- $454M - $555M
o employment	- full-time 2,300
	- part-time 3,400
	- (volunteers 8,820)
o salaries and benefits	- $65M - $70M

To fully appreciate and properly use the quantitative estimates coming from this Study, a thorough understanding of the scope of the research project is essential. The scope is presented on the page opposite. The reader will note that some significant areas normally considered as part of the 'Arts' were not included. This was because the Study Steering Committee felt that (a) there was adequate economic intelligence for these areas, or (b) that the economic impact of the area was expected to be minor or (c) time and resources available were not sufficient to cover the areas. It was felt that the Study would be more effective if it was to concentrate on a more limited listing of 'Arts' categories. The most significant effect that this has on the result of the Study is that the economic impact figures do not represent all the 'Arts'.

In addition, the limitations of the methodology used must be understood in order to gain an appreciation of the level of validity of the economic impact figures. Although the research process was sound in many respects, the methodology and results achieved were affected by time constraints and survey response factors that were beyond the control of the Study Team.

For example, the very tight timeline of seven weeks meant that no 'pilot study' was conducted of the survey instrument and procedure. Also, as was uncovered later on in the Study, the respondents had serious misgivings about responding to some of the questions due to a previous survey (conducted by a Federal Government agency) in which information derived from the survey was reportedly transferred to Revenue Canada.

Both of these factors contributed to a mail-out survey response rate which was not, on many counts, fully reliable to achieve the level of statistical confidence that is typically used in social and economic studies. As this was the basis for most quantitative estimates, the economic impact figures must be treated with caution.

Offsetting these limitations to some extent were the parallel research techniques used to arrive at the economic impact figures. The findings arrived at from each technique tended to be similar which lends a degree of credence to the figures. Also, there were discussions with many informed individuals heavily involved in economic studies of the arts and a review of the literature was carried out. Both of these activities indicated that the response rate actually achieved for this Study is well within the normal responses for such research undertakings and is therefore of comparable reliability to other studies of the area.

Taking into account the strengths built into the Study, and findings from similiar studies done elsewhere, the figures noted above appear to be reasonable and do provide broad approximations of the economic and employment impacts of the 'Arts' within Alberta despite the limitations that faced the Study Team.

OUT-OF-PROVINCE EXPENDITURES

A secondary objective of the Study was to determine the extent of out-of-province expenditures in the 'Arts', and the potential of capturing these expenditures. The findings indicate that on the whole, a small proportion of the expenditures is made outside the Province. The principal reason is that the greatest part of the expenditures are for salaries, administration and maintenance. These are purchases of goods and services provided in Alberta.

There are several major areas where expenditures are made outside the Province, either on the first round of spending by the 'Art' institution, company or individual, or on the second round where the services or goods are solely retailed within the Province. On the surface it would appear that some of these expenditures could be captured relatively easily through the cooperation of the spending groups/individuals involved. In other instances, significant further investigation is required (because these areas may require major capital expenditures, as well as the putting in place of an international marketing/distribution system.) Specific examples are contained in the body of the Report.

SUMMARY

In summary, the 'Arts' are very important to the economic and employment health of the Province. They show a great deal of potential for further growth, and the estimates produced by this study indicate that a relatively low level of support or subsidy is required relative to the number of jobs and the economic impact produced.

INTRODUCTION

CHAPTER 1

INTRODUCTION

1.1 STUDY PURPOSE

In a very general sense, there are two interrelated benefits stemming from most of society's activities; social benefits and economic benefits. The 'Arts' are no exception. Over the years the emphasis on rationalizing the 'value' of artistic activities has been on the social benefits that are realized. Benefits such as those described below exemplify this position:

- "The value of the arts is that they provide a means of satisfying man's needs to find meaning and significance..., a role in ensuring the existence of a rich, multidimensional cultural background... and opportunities for creativity and achievement."
- "... this humanizing characteristic of the arts which many consider to be their ultimate value to individuals and society"
- "We believe that humanistic and cultural values are just as basic as reading and writing. We cannot tolerate another generation that knows so much about preserving and destroying life, but so little about enhancing it"
- "The arts help people understand themselves in historical, cultural and aesthetic terms; they provide people with broader choices about their environment and influence the way they do their work and live their lives."

These and other statements clearly indicate the perceived social benefits that many feel result from 'Arts' activities.

However, relatively little attention has been given to the economic benefits of the 'Arts'. This is unfortunate, since the arts sector does have economic impacts, direct and indirect - a benefit that few perceive or may fully understand. A better understanding of the economic benefits of the 'Arts', on the part of artists and the general public, may be a critical ingredient in accelerating the growth of this important sector in society.

With today's economic environment, growth in the 'Arts' is being restricted.[1] Although there may be few doubts as to the inherent social value of the 'Arts', this does not seem to be enough of a reason to ensure unfettered and continued growth. A better understanding of the economic and employment value of the 'Arts' may be critical to furthering growth in the 'Arts'.

However, before this is possible, it is necessary to first prepare some basic intelligence on the 'Arts' in Alberta as an economic factor. This is the major purpose of this Report.

1.2 STUDY CONTEXT

The 'Arts' are in a general state of flux. Some individuals, organizations and companies are doing well, others are not. A prime reason is the economics of the times, which is forcing (a) people to reduce their 'Arts' consumption, and/or (b) organizations to reduce their 'Arts' activities.

Today's economic environment has also created a situation whereby there is more competition (a) between 'Art' and other forms of discretionary expenditures, and (b) among the discretionary expenditures possible in the variety of 'Art' forms available. We feel therefore, that Alberta's economic state has been largely responsible for reductions in the size and activities of some 'Arts' groups and individuals. This, we feel, has also created a need for greater emphasis on the 'business' dimension of the artist and artistic organizations.

The tremendous technological changes we have witnessed over the past few years, also is impacting on the 'Arts'. Competition for the patron's time is increasing (i.e. pay TV, home video games, V.C.R.'s, etc.) and this influences the way in which the various 'Arts' forms are distributed (i.e. TV ballet vs live performance, or both).

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1. For example, government financial support is being held at constant levels and the public is not purchasing at the same level as before the recession (because of unemployment and a high savings rate).

Conventional business methods and procedures are being used more frequently by individuals and organizations involved in the 'Arts'. There is increasing recognition of the need for marketing, image creation, financial management, business plans, strategic planning, sophisticated fundraising programs, and the like. However, recognition of the need has not yet led generally to any widespread implementation of these techniques.

At the same time, the tremendous boom which Alberta had experienced quickly turned into a deep and protracted recession. Population is no longer expanding as rapidly as in the recent past. Total economic activity of the population has decreased. Yet many organizations and individuals involved in the 'Arts' are still pursuing growth-oriented goals and objectives, are saddled with operating major capital facilities, and are still trying to react to the changes brought on by the economic downturn.[2]

These and other factors are impacting on the 'Arts'. Part of this report will deal with these factors.

1.3 STUDY DESIGN

The study design used was as rigorous as possible within the study time-frame. It included several independent research activities that were designed to approach the study objectives from several points of view. Therefore, we were not forced to rely on any one source of information. Rather, we were able, through the Study Design, to ensure that complementary but independent measures were employed. This approach aids significantly in validating the results and hence the confidence one can have in the findings.

The Study Design entailed multiple phases and individual tasks. Some of the major activities were:

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2. For example may 'Arts' organizations are attempting to develop policies without an adequate information base. Also, they are being forced into reducing programs, which requires setting priorities and they do not have the expertise to complete this task.

- o scoping of the project
- o inventory of the 'Arts' individuals, organizations and companies
- o a literature review
- o a survey of individuals, organizations and companies
- o a series of case studies

A Steering Committee was established at the initiation of the Study. Membership was:

- o Ms. Sharon Campbell - Chairman, Alberta Economic Development
- o Mr. Bill Marsden - Alberta Economic Development
- o Mr. Mark Rasmussen - Alberta Culture
- o Mr. Rory Ralston - Alberta Culture

Throughout the Study Process, a very close liaison was maintained with the Committee. Over the seven week duration of the Study, six Committee meetings were held.

1.4 STUDY SCOPE

A very important first step was to clarify exactly which components of 'Arts' were to be included and which to be excluded. No attempt was made to 'define' the 'Arts' since this would have required an enormous amount of time and work with a full dialogue with all 'Arts' organizations. This was not the prime purpose of the Study nor was the time available to conduct such an exercise.

In determining what components to include and exclude, the primary criteria used were:

- o those components for which little economic data was available
- o those components that likely had an extensive economic impact in Alberta

These criteria were applied by the Steering Committee, based on their extensive experience in the field.

The following scope was set out in the Terms of Reference:

(a) Art galleries
(b) Museums
(c) Performing Arts - music, theatre, dance
(d) Films, recording, audio-visual
(e) Book publishing
(f) Applied arts and crafts - industrial design, commercial arts, crafts

Additionally the Terms of Reference stated:

> "The study will include both profit and non-profit professional arts activities in the above categories."

Therefore amateur/hobbyist activities were not included.

Based on the Terms of Reference and the above noted criteria the scope of the Study was prepared. It is presented on page 2. Although there are several 'Arts' components 'missing', this Study does provide an excellent first step in assessing the economic role of what is likely to be the larger part of the total 'Arts' sector.

It should also be noted at this time that the Study did not uncover any new construction of facilities or land purchases. Therefore, major capital projects should also be considered as excluded from this Study.

1.5 ECONOMIC IMPACT METHODOLOGY - AN OVERVIEW

1.5.1 Introduction

The economic impact of expenditures in the 'Arts' is a measure of the economic benefits that accrue to a specific area as a result of those expenditures. Economic benefits are increases in the income or wealth of either individuals or businesses in the specific area. For example, in the situation of an art gallery, the expenditures made by the gallery for materials, supplies, employees, and other capital, operating and maintenance inputs, provide direct or indirect benefits to many individuals and businesses in the community and in other parts of the Province. There will also be spin-offs to economic sectors and places beyond Alberta.

1.5.2 Types of Impacts

There are two types of economic benefits - direct and indirect. Direct impacts are expenditures for salaries, goods and services. Direct impacts in this Study, also included the secondary income generated by these expenditures through the multiplier process.

Indirect impacts in this Study included any related or ancillary spending which was stimulated by the presence of the art program or facility. An example of an indirect impact would be spending by patrons attending the theatre for restaurant purchases, gas, parking, and other items that are associated with that attendance.

1.5.3 Direct Impacts

Direct impacts result from primary expenditures made by an 'Art' facility or program. In other words, every time the facility or program expends a dollar there is a recipient whose income is increased by that amount.

The direct economic impact also included the secondary expenditures by employees or suppliers who, on receipt of money from the 'Arts' facility or program, respend a portion of it. That is, since their incomes were increased by the 'Arts' expenditures, their spending increased by some proportion of it. This 'secondary' spending is a further addition to the income of other businesses.

1.5.4 Geographical Boundary of the Study

This Study was concerned with the geographical area of Alberta. Therefore, it is important to draw the distinction between what 'Art' expenditures are made in the Province and those that are made outside the Province. Consequently, all that was of interest to this Study were the direct impacts in Alberta, plus indirect and any multiplier effect within the boundaries of the Province.

1.5.5 Indirect Impacts

Indirect economic impacts are those patron expenditures associated with certain types of activities, such as visiting an art gallery.

For example, when people visit an art gallery, they frequently incur expenditures such as lunch with a friend, gas to drive across town, or even a visit to the hairdresser for a special opening. Visitors from out-of-town may stay for the night, or buy souvenirs. These were all considered to be indirect economic benefits associated with the art gallery.

1.5.6 Multiplier

A multiplier measures total economic impact as it relates to any initial expenditure. For example, if the 'Arts' multiplier value for the Province is 2.0 then a direct $100 expenditure in the Arts would result in a total economic impact of $200.

Leakages refer to the amount of expenditures that is either respent outside the Province, or not spent at all (i.e. through savings). Consequently, as an expenditure in the 'Arts' ripples outward, the amount respent within the Province steadily declines simply because (a) some of the dollars received by individuals and organizations are saved, and (b) certain services, equipment, materials, and other items and services are purchased outside of the Province.

1.5.7 The Gross Economic Impact

In this Study we only estimated the gross economic impact. The Study did not deal with a 'value added' equivalent or net impact.[3]

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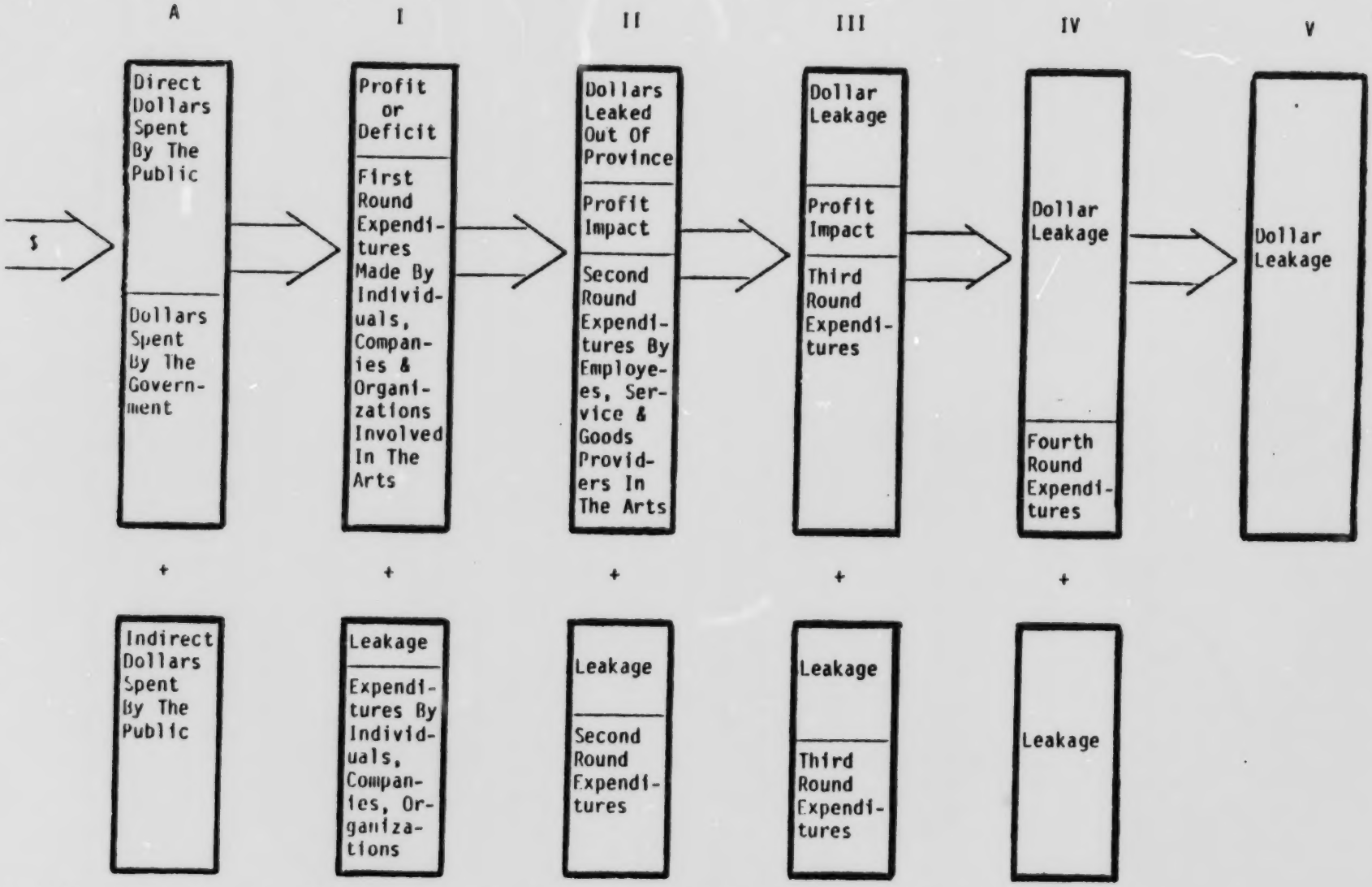
3. Value added is usually defined as revenue, plus capital formation from own-account, plus subsidies minus expenditures for materials, energy, purchased services (i.e. advertising), adjusted for inventory changes.

CONCEPTUAL FLOW OF DOLLARS THROUGH THE ECONOMY AS RELATED TO THE ARTS



TECHNICAL NOTE: Although the definition of direct and indirect spending and related impacts, as noted in this chart and described in the Report, is not that which is traditionally used, it is employed here to maintain a degree of consistency with earlier Art Economic Impact Studies and Methodologies so as to permit some comparability between this Report and others previously prepared.

1.5.8 Summary

The diagram on the page opposite conceptually depicts the flow of dollars through the economy as related to the 'Arts'. Column 'A' indicates that money is spent by the public and government to participate in and/or support the 'Arts'. Expenditures such as ticket purchases, donations, grants, the purchase of a painting, sculpture, or photograph are all included in this 'A' column of expenditures. This column was not included in the Study.

The small box below the 'A' column shows the individuals who participate in the 'Arts' also expend money to access the 'Arts'. Expenditures such as purchases for gas, restaurants, hotel/motel costs, and the like are included here and correspond to Section 1.5.5 noted earlier. Estimates of expenditures for these items were included in the Study.

Column 'I' refers to the money expended by the 'Arts' organizations, the individual and/or the company in providing the art form. These expenditures were part of this Study and correspond to 'Direct Impacts' as noted above in Section 1.5.3. The small box below Column 'I', which represent the multiplier effect of the indirect dollars spent by the public was also included in the Study. This small box shows that some of these indirect dollars expended may 'leak' from the Province. This portion of the expenditure is, in effect, lost to the Provincial economy. Leakage is taken into account in the multiplier used.

From columns 'II' to 'IV' expenditures are continually made. However, more and more of these are made outside of the Province and/or more and more of the dollars expended are saved until a point comes when there are no more dollar impacts for the Province. Column 'V' represents this. At this point in time there are no more economic benefits and the multiplier no longer increases.

1.6 STUDY LIMITATIONS

There were several Study limitations that are important in reviewing this Report. They are:

- o Process

  The study duration was seven (7) weeks. This meant that some conventional research practices were not adopted (e.g., a pilot survey to pre-test the questionnaire).

- o Survey Results

  1. The survey, which was an important data collection method, was hampered by previous surveys on the Arts which had significant problems regarding confidentiality. Therefore, many individuals surveyed did not respond because they did not 'trust' the survey and how their response might be used.

  2. The survey results varied greatly in terms of consistency of response. A great deal of time and effort was expended in verifying the results. Several decision rules were developed for this. This, we believe has greatly improved the validity of the data. However, the decision rules used are critical to understanding the survey results. The reader is advised to review these.

  3. Some of the 'Arts' sub-categories surveyed did not respond. These were subsequently deleted from the Study.

- o Study Scope

  Originally the Study included five (5) major 'Arts' categories, with a total of 40 individual sub-categories. These included institutions, individuals and companies. Given this wide variance, generalizations were not always possible nor should they be attempted.

- o. Methodology

  1. Multipliers - The Study attempted, through a detailed literature review, to identify economic multipliers. Many were identified and used. However, we did not do a direct 'tracing' of expenditures to develop a multiplier unique and proven for this Study.

  2. Calculations - Based on the findings of those who responded to the survey, we 'grossed-up' the economic and employment impact to 100%. This methodology is sound when the survey response is statistically reliable. This was not achieved for all sub-categories.

Therefore, we employed secondary measures to ensure the credibility of the findings. These included:

(a) The Case Studies - The findings of the case studies were generally consistent with the results of the survey. This increased our confidence.

(b) Survey Follow-up - The initial survey response was 16% for all 5 'Arts' categories. Through an aggressive telephone campaign this was increased to just over 20%. An analysis of the results of the 16% versus the 20% response indicated no significant changes. This indicates that a further increase in response rate may not yield significantly different results. This increased our confidence.

Based on these indirect but supportive analyses, we believe that the Study represents that 'true art world' as described in the Study at a reasonable level of generalization.

3. Diversity of Expenditures - The case studies, interviews, and workshops were partially designed to address the Study objective of "diversity of expenditures". Unfortunately, the institutions, companies and individuals did not have this data available in a standardized format that could be used in the Study.

4. Qualitative Effects on the Business Environment - The focus of the study is impacts of the Arts on the economy which can be measured relatively easily and effectively. These are the direct impacts of employment in the Arts and expenditures by Arts organizations. However, it has long been suspected that the Arts contribute indirectly to the economy by the positive effects they have on the quality of life. An Arts "experience" can make a person more productive and creative by means of pure recreational release but also by involvement in a different way of thinking and doing. There is now empirical evidence that corporations act in ways that suggest they see some such benefits as these as real. Recent studies of the locational decisions of corporations reveal that the quality of life (which we can suppose is positively affected by the cultural amenities provided by the Arts community) is a significant factor. One recent study (Stafford, 1983) ranked quality of life as seventh out of ten major factors influencing the location decisions of conventional manufacturing industry, and third out of ten for high technology companies.

CHAPTER 2

ECONOMIC IMPACT

2.1 PURPOSE

The principal objectives of this Study were:

(1) to estimate the total impact of the 'Arts' sector on the economy of Alberta,
(2) to determine the amount of 'Arts' expenditure that is made outside of the province of Alberta relating specifically to Alberta 'Arts' projects, and
(3) to develop an understanding of the diversity of expenditures from the 'Arts' sector in the Alberta economy.

Within this chapter, quantitative estimates will be highlighted that respond to these objectives.

2.2 METHODOLOGY AND INFORMATION SOURCES

We gathered primary expenditure and employment data from individuals, institutions, and businesses directly involved in the 'Arts'. In addition to this primary data gathering activity, an extensive literature review was conducted which provided information to support or enhance the primary data.

The sources of primary data used specifically in development of the estimates of provincial economic impact and out-of-province expenditures were (a) a mail-out survey instrument, and (b) on-site case studies.

2.3 THE SURVEY[5]

Some 1,412 categorically tailored surveys were sent to individuals (artists in virtually all fields), institutions (including museums, Art facilities, theatres, and performing groups), and businesses (from retail art outlets, to publishers, to recording studios).

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5. See Appendix 1 for the survey questionnaire instruments.

ECONOMIC IMPACT OF THE ARTS STUDY - SURVEY RESPONSE

CATEGORY	SUB-CATEGORY	#SENT	TYPE	RESPONSE RATE		CATEGORY RESPONSE RATE	
				RETURNS	SUB-CATEGORY	WITHOUT CASE STUDY	WITH CASE STUDY
1. Historic Resources	1.1 Museums	56	Instit.	22	39%		
	Case Studies	3		3	100%		
	TOTAL	59		25		39%	42%
2. Book Publishing/Literary Arts	2.1 Writers Guild	369	Ind.	81	22%		
	2.2 Publishers	13	Bus.-B.	9	69%		
	Case Studies - Publishers	1		1	100%		
	TOTAL	373		91		24%	24%
3. Visual Arts/Crafts	3.1.1 Painters	193	Ind.	34	18%		
	3.1.2 Drawers	28	Ind.	2	7%		
	3.1.3 Designers	6	Ind.	1	17%		
	3.1.4 Graphics	23	Ind.	2	9%		
	3.1.5 Photographers	29	Ind.	7	24%		
	3.1.6 Ceramics	51	Ind.	8	16%		
	3.1.7 Glass	5	Ind.	1	20%		
	3.1.8 Sculptures	54	Ind.	9	17%		
	3.1.91 Fiber	24	Ind.	7	29%		
	Case Studies (3.1.1, 3.1.5, 3.1.8)	3		3	100%		
	SUB-TOTAL INDIVIDUALS	416		74			18%
	3.2.1 Public Art Galleries	22	Instit.	6	27%		
	Case Studies	1		1	100%		
	3.2.2 Commercial Art Galleries	118	Bus.-B.	15	13%		
	Case Studies	1		1	100%		
	3.3 Private Dealers/ Consultants	21	Bus.-B.	1	5%		
	3.4 Art Foundries	3	Bus.-B.	0	0%		
	Case Studies	1		1	100%		
	3.5 Collectors	31	Bus.-B.	2	6%		
	SUB-TOTAL BUSINESS/ INSTITUTIONS	192		27			14%
	TOTAL	614		101		16%	16%
4. Film	4.1 Film Artists	21	Bus.	8	38%		
	4.3.1 Film Companies	22	Bus.	4	18%		
	Case Studies	4		4	100%		
	4.3.2 Post Prod. Serv.	12	Bus.	2	17%		
	4.3.3 Sound Services	4	Bus.	1	25%		
	TOTAL	63	Bus.	19		25%	30%
5. Performing Arts	5.1.1 Performing Facilities	40	Instit.	10	25%		
	Case Studies	1		1	100%		
	5.1.2 Orgns Groups	13	Instit.	3	23%		
	Case Studies	1		1	100%		
	5.2 Dance Groups	3	Instit.	1	33%		
	Case Studies	1		1	100%		
	5.3.1 Music Groups	4	Instit.	3	75%		
	Case Studies	2		2	100%		
	5.3.2 Music Individuals	53	Ind.	6	10%		
	5.4 Sponsoring Organizations	192	Instit.	37	19%		
	5.5 Festival/Organizations	2	Instit.	0	0%		
	Case Studies	1		1	100%		
	TOTAL	323		66		19%	20%
	GRAND TOTAL	1,432		302		20%	21%

SOURCE: Woods Gordon, 1984.

The disaggregation of recipients and response rate is shown on the opposite page.

Following an initial response rate of 16.2% a follow-up telephone campaign was conducted to increase the response rate in selected categories where there had been a very low initial response. Within the survey follow-up task, 299 phone calls were made with the following response:

- 52 organizations agreed to submit the completed survey forthwith
- 38 indicated they would not complete and return it
- 65 organizations said they may send it
- 17 had just returned it prior to our call
- 62 potential respondents did not return our telephone messages
- 65 potential respondents could not be reached

In this survey follow-up, emphasis was placed on (1) capturing those individuals or organizations that could have significant impact on the findings, and (2) reaching a more reasonable representation in all major categories. This second coverage increased the overall survey response rate to a level in excess of 20.5%. Through the telephone follow-up, it was discovered that the reasons for the initial low response rate included:

i) too busy or wrong time of year
ii) appropriate person was away
iii) the organization could not be accurately reflected within the survey
iv) recipient felt there would be no value to him
v) recipient wished to retain privacy

Because of apparent inconsistencies in the survey responses, a verification process, which included a manual review of all the completed surveys, was undertaken. Where inconsistencies appeared, a manual change was made on the basis of one or more decision rules (as described in Appendix II). These decision rules were developed on the basis of:

i) overall survey findings,
ii) information gained from case studies and individual interviews, and
iii) our experience.

2.4 THE CASE STUDIES

Twenty major organizations were selected and involved in a thorough analysis of their expenditure patterns through a case study approach. In most cases, access was given to their financial statements, but not their detailed expenditure accounts. Through personal interviews in the offices of the controller (or similar person), total expenditures by category were calculated. An estimate of out-of-province expenditures was also developed for each category.

2.5 DATA CONFIDENCE

The total survey, in itself, should not be considered as statistically accurate with a high level of confidence. However, this preliminary information was cross-checked with industry experts and the detailed case studies and was felt to reflect reality. Given these supportive factors, it is believed that the data required to meet the general objectives of the Study has been captured.

From the two primary sources of data (the surveys and the case studies), information was cross-checked to ensure a measure of consistency. In virtually all instances, the case study results supported the findings gained through the survey instrument. This lends credence to the findings as presented in this Report.

Within some categories, where i) there is a great deal of homogenity among those included, ii) the survey response rate was higher, or iii) we have conducted supporting case studies, we have increased levels of confidence. These areas include museums, publishers, some individual artists, public art galleries, film companies, dance groups and music groups.

The results of the survey and several cross-tabulations will be described below. With respect to the Case Study outputs, they have been consolidated and shown in further detail as well.

SUMMARY RESULTS

EMPLOYMENT, SALARY, BENEFITS, AND VOLUNTEERS INVOLVED IN THE ARTS

(INSTITUTIONS AND BUSINESSES)

PERSONNEL CATEGORY	SURVEY RESULTS	GROSS-UP OF SURVEY	CASE STUDY RESULTS	TOTAL
Full-Time Employees	446	1,881	416	2,297
Part-Time Employees	756	3,190	251	3,441
Volunteers	1,947	7,788	1,032	8,820
Total Salaries & Benefits	$13.0M	$55M	$12.25M*	$67.25M

*Estimated from total budget expenditures of case studies.

For details see Appendix IV.

SOURCE: Woods Gordon, 1984.

2.6 EMPLOYMENT IN THE ARTS

Based on the survey results, the institutions and businesses that responded paid around thirteen million dollars ($13M) in wages and salaries to their employees. This amount does not include contractual labour payments (which was collected in another section of the survey). Of this amount, roughly 21% was payment to part-time employees.

The Case Studies, which covered ten institutions and five businesses, showed salary and benefit payments of approximately $12.25 million (comprising $11.8 million for the institutions and $.45 million for the businesses).

The survey findings indicated that two thirds of the institutions surveyed (excluding the major institutions covered by the case studies) paid full-time salaries and benefits in excess of a total of $60,000 annually (over a third paid in excess of a total of $100,000 annually) with a mean payment of over $225,000 for all institutions. Part-time salaries and benefits are distributed in a much lower range, with over 70% of survey respondents paying less than $15,000 annually. Several large institutions bring the mean part-time wage and benefits payment to over $72,000 annually per institution.

Business salary and benefits payments on a per business basis are much more evenly distributed around a mean of $43,000, with approximately 50% paying less than $30,000 and the same number of businesses paying more than that amount. In the business sector, no survey respondents indicated part-time wage/salary payments in excess of $44,000 annually, with a mean much closer to $15,000.

These survey results are aggregated in the chart on the opposite page and depicted in greater detail in Appendix IV.

Total salaries in the 'Arts' in Alberta could be in the order of $65 million to $70 million with total full-time employment in the area of 2,300 people and part-time employment of approximately 3,400.

Of the thirty-six institutions that responded to the appropriate survey question, 385 full-time jobs were represented. These same institutions used 670 part-time workers for a total of 2,247 man-months (or roughly three and one half months per part-time worker).

In institutions, the part-time workers tend to be involved in artistic and other endeavours and the full-time employees tend to be more engaged in administrative activities.

In these same institutions, 1,947 volunteers accounted for approximately 3,520 man-months of work. Volunteers tend to be involved in administrative, rather than artistic endeavours.

With respect to the business survey responses, 61 full-time employees were involved in the 21 businesses. Fifteen of the business firms used part-time help (86 people) for a total part-time employment of 147 man-months or, on average, 2 months per part-time employee. Hardly surprising, no volunteers were indicated in the business sector.

Because of the massive volunteer support, there is really a shadow economy inherent in the 'Arts' sector. For example, if an average of $5 per hour were ascribed to the volunteer time spent in the 'Arts', the equivalent dollar magnitude of that input would be in the order of $2.8M.

This figure only applies to the survey respondents, which is only a sample of the total volunteer labour in the arts sector.

Another factor of note is the relatively high use of part-time labour in the institutions, as compared to the businesses. From the survey it appears that for every full-time institution employee there are 1.74 part-time employees. In the business sector, that ratio is much lower at 1.41 part-time employees.

2.7 ECONOMIC IMPACT

2.7.1 Methodology

Inasmuch as the survey did not have a coverage rate of 100%, some method of 'grossing-up' the response to represent a potentially complete estimate of economic impact was necessary. Within the Case Studies, the coverage was 100% of those interviewed.

The process used for developing the final estimate of total economic impact of the arts in this study is as follows:

(1) Calculate the percentage coverage of the market by the survey for each 'Arts' category. On the assumption that the survey was sent to every person or organization involved in the Arts, the number of respondents divided by the number of original survey recipients provides the estimate of the market coverage for each category (response rate).

(2) Expenditures in Alberta in each area (for each category) are grossed up by the inverse of the coverage ratio to provide an estimate of total expenditures in that area for each category. For example, if eighty-two institutions from a total field of three hundred thirty-three responded, the coverage ratio would be 25%. If the responding institutions showed a total payment of $138,000 in travel within Alberta, that survey amount would be grossed up to reflect full coverage by dividing $138,000 by the coverage ratio of 25%. The resultant (100%) figure of $552,000 is then assumed to represent total direct expenditure on travel by all institutions (except those in the Case Studies) in the province of Alberta.

(3) Since the Case Studies of those organizations not surveyed have 100% coverage, these figures are not 'grossed-up'. The total for each expenditure area of the 'Case Study Organizations' is added to the survey grossed-up estimates to yield the direct expenditure estimate in each expenditure area for all the categories (excluding the multiplier).

(4) Through the literature review, appropriate multipliers have been identified to reflect the total impact on the economy of the direct expenditures in the arts. These multipliers have been developed and used throughout North America in similar studies.

These multipliers were then applied to the estimates of total direct expenditure of the 'Arts' sector to provide an estimate of the total economic impact of expenditures by 'Arts' organizations.

SUMMARY SURVEY AND CASE STUDY RESULTS

EXPENDITURES BY INDIVIDUALS, BUSINESSES AND INSTITUTIONS

	COVERAGE	TOTAL EXPENDITURE	OUT-OF-PROVINCE
INDIVIDUALS			
- Survey	19%	$ 1,178,790	146,252
- Case Study	100%	534,741	15,250
BUSINESSES			
- Survey	16%	4,398,632	1,775,184
- Case Study	100%	5,985,919	2,751,054
INSTITUTIONS			
- Survey	25%	30,692,160	2,375,112
- Case Study	100%	19,846,228	1,740,390

In-Province Total Survey Expenditures Grossed-Up	= $135 million
In-Province Total Case Study	= $ 22 million
Total In-Province Expenditure in Arts	= $157 million

Total Survey Expenditures Grossed-Up	= $156 million
Total Case Study	= $ 26 million
Total Expenditure in Arts	= $182 million

For details see Appendix V.

SOURCE: Woods Gordon, 1984.

(5) The one further economic impact, which must be added to the impact from expenditure amount generated in number 4 above, relates to the expenditures by patrons of the 'Arts' that result indirectly from their visitation. To calculate this amount, the same process of 'grossing-up' survey responses and adding actual Case Study results is used. An appropriate multiplier is then applied to this estimate of total visitations to determine the estimated total economic impact of visitation of 'Arts' facilities. This estimate is then added to the total economic impact of expenditures by 'Arts' organizations to result in the final figure which represents an estimate of the total economic impact of the 'Arts' in Alberta.

There are several points to be raised with regard to this methodology. They include:

(1) We cannot be certain that the survey respondents are entirely representative of all organizations within Alberta in each category.

(2) In-Province expenditures may be made to wholesalers/retailers who are providing no added value other than importation and resale of the goods. On the other hand, the same expenditures could relate to goods sold and manufactured in Alberta, in which case the economic impact of that expenditure would very likely be higher.

(3) The multipliers previously developed and used in other studies may not apply with 100% accuracy to the Alberta environment.

2.7.2 The Findings

The response rates calculated for each category are as follows:

i)	individuals	158/835 or 19%
ii)	businesses	38/245 or 16%
iii)	institutions	82/333 or 25%

Appendix IV shows in detail all expenditures by area and by category (individuals, businesses, and institutions). The chart on the opposite page shows summary statistics from that table.

The estimated total direct expenditures in Alberta by all 'Arts' organizations (excluding the case studies) is, on the basis of the 'gross-up' formula, about $135 million. Adding case study expenditures ($22 million), the total in-province expenditure is around $157 million.

With respect to out-of-province expenditures, it is likely that some benefit still accrues to Alberta, either through sales commissions to local agents, freight, couriers or similar local expenditures. Total out-of-province expenditures from the survey (grossed-up) and the Case Studies are estimated at $25 million. If 10% of that amount is an actual in-province expenditure, there is a direct impact of over $2 million dollars to Alberta.[6]

Therefore, including the Case Study data, survey responses 'grossed-up', and 10% out of province expenditures benefit, the estimated direct expenditure by all 'Arts' organizations in Alberta is approximately $159 million.

Through the literature review, multipliers to estimate total direct and indirect spending have been identified. They range from a low of 1.5 to a high of 3.5 with an average of approximately 2.57 and a median value of 2.5. Since the terms of reference of this study do not include the independent development of the multiplier, a value of 2.5 will be applied against total direct expenditures to reflect the total direct and indirect economic impact of expenditures in the 'Arts'.[7] To reflect a measure of uncertainty, a confidence interval of ± 10% reflects the belief that the actual impact may lie in the range of $360-440 million.[8]

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6. 10% is an estimate of standard commission rates for travel agents, manufacturer's representatives and other selling agencies.
7. See Appendix V for more detail regarding the multipliers.
8. If we use the total range of 2.1 to 2.9 that was derived for the majority of multipliers identified (a range of 16%), this would suggest a low and high estimate of $141 million to $194 million respectively.

INSTITUTION VISITATION 1981-1983
PAID AND UNPAID

VISITATION CATEGORY		VISITATION			
		N	RANGE	MEAN	TOTAL
Paid Attendance (Survey)	1981	43	0 - 419,260	31,087	1,336,741
	1982	47	0 - 436,370	29,555	1,389,085
	1983	48	0 - 484,430	28,438	1,365,024
Unpaid Attendance (Survey)	1981	43	0 - 126,880	14,629	629,047
	1982	48	0 - 133,090	13,477	646,896
	1983	50	0 - 135,340	12,509	625,450
Attendance (Case Studies)	1983	10	45,689 - 549,158	171,858	1,718,579
Total 1983 Attendance		Total from surveys = 1,990,474 Total from survey grossed-up = 7,961,896 Total from case studies and survey grossed-up = 9,680,475			

SOURCE: Woods Gordon, 1984.

With respect to visitation levels, the chart on the facing page outlines survey results of institutions visitation levels. Also shown are Case Study total visitation figures. When a grossed-up value of survey institution visitations is added to the actual Case Study visitation levels, total institution visitations is estimated to be in the order of 9.7 million in 1983. This visitation level is generally supported by published data. (See Bibliography.)

Spending by the 'Arts' patron is a function of visitation levels and the appropriate multiplier. The Ontario Association of Art Galleries has compiled a list of patron expenditure levels used in other studies of this nature. This per patron estimate excludes entrance fees. The expenditure levels described in this list range from $8.05 ($5.37 in 1978 dollars) to $16.87 ($11.25 in 1978 dollars) with an average of $11.31 ($7.54 in 1978 dollars) and median of $10.80 ($7.20 in 1978 dollars) per patron.

Although these values may better represent spending in larger and/or more culturally developed centres (i.e. Toronto vs Edmonton), they are used in this Report as they represent the only data available.

It is also to be expected that paid versus unpaid admission patron expenditure patterns will differ. Also, non-local patrons will tend to spend more than these average multipliers may suggest. As shown on the previous table, unpaid attendance approximately equalled paid attendance. As expected, the highest percentage of visitation to institutions (as shown by the survey) had municipal origins. Around 90% of survey responses indicated that less than 10% of museum visitation related to non-Alberta patrons.

Notwithstanding the limitations described above, the median expenditure value of $10.80 will be used to reflect the average per patron expenditure level of all visitors to Art institutions in Alberta, again with a confidence interval of plus or minus ten percent.

Applying this expenditure estimate to the gross estimated visitor levels of $9.7 million suggests a total expenditure of $105 million by 'Arts' patrons, or an economic impact in Alberta of that amount.

With the application of a confidence interval around the per patron spending level similar to that used on the impact multiplier (i.e. ± 10%), the expenditure level for 'Arts' patrons falls within a range of $94 million to $115 million.

TOTAL ECONOMIC IMPACT

By adding the total direct and indirect economic impact of expenditures in the 'Arts' of $398 million in 1983 to the total 1983 expenditure of $105 million by 'Arts' patrons, the estimated total impact of the arts on the economy of Alberta is in the order of $503 million.

With a certain measure of confidence it is estimated that the real total impact is in the range of $454 to $555 million.

Unfortunately, we were not able to uncover any economic impact studies of the arts done elsewhere that were similar in scope to this Study. Those we have identified are listed in Appendix VI of this Report. As can be seen, the scope varies in all cases.

Also, there were two studies recently completed in Alberta that addressed the economic impact of the arts. The first, a study by the Management Institute of the University of Alberta, found that the economic impact of the Visual Arts alone was about $63.5 million. This figure included professional, amateur and educational activities; our Study excluded the amateur and educational components.

The second study was completed in March 1984 by the Alberta Association of Art Galleries. It determined that the economic impact of public art galleries alone was about $32.4 million. The methodology for that Study was somewhat different than ours. The former study used a multiplier methodology that resulted in a higher estimate than that used in this Study.

SUMMARY STATISTICS

	SURVEYS	GROSS UP	CASE STUDIES	TOTAL
EMPLOYMENT*				
Full-Time	446	1,881	416	2,297
Part-Time	756	3,191	251	3,441
Volunteers	1,947	7,788	1,032	8,820
EXPENDITURES				
In-Province	$32m	$135m	$22m	$157m
Out-of-Province (10% of which is provincial input)	$ 4m	21m	$ 4m	$ 25m
Total (Alberta)	$36m	$156	$26m	$182m
VISITATION	2.0m	8.0m	1.7m	9.7m
PATRON SPENDING		$86m	$18m	$105m
IMPACT ON ECONOMY (with multiplier)				
From Expenditures				$398m
From Patrons				$105m
TOTAL				$503m

*excluding individual artists

SOURCE: Woods Gordon, 1984.

It should be stressed that in this Study no land or major construction projects are included in either the survey or Case Study responses (i.e. Citadel expansion, Calgary Centre for Performing Arts, Edmonton Space Sciences Centre, etc.). The economic impact of these projects when they occur must not be understated. For example, a $20 million capital project, with the multiplier of 2.5 would have a $50 million impact on the province of Alberta.

A summary of the estimated employment and economic impact of the 'Arts' in Alberta is shown on the page opposite.

2.8 OTHER ALBERTA DATA

Two other sources of data were accessed. These were:

- Alberta Libraries
- Alberta Motion Picture Theatres

2.8.1 Alberta Libraries

Libraries were excluded from the scope of the Study. We were, however, successful in collecting relevant data that can be applied to this Study.

The following information was received from the Libraries Board:[9]

- There are 225 libraries in Alberta
- Total expenditures in 1983 were $35,800,279, broken down as follows:

Staff	$18,135,458	
Materials		7,006,789
Administration		4,779,912
Building Maintenance		2,973,310
Interest, etc.		1,215,697
Equipment, Renovations, etc.		1,688,842
		$35,800,278

- Full time staff 1,018
- Part time staff (man-year equivalents) 178

9. Personal Communication, J. Forsyth, Alberta Libraries Board.

Although it is not appropriate to combine this information with this Study, the expenditure and employment figures are indeed large. Had libraries been included, the economic employment impact noted above would be much larger.

2.8.2 Movie Theatres

The following Alberta information is taken from the 'Canadian Film Digest - 1983 Yearbook':

- In 1981, there were 113 theatres in Alberta with a capacity of 61,732.
- In 1981, the total receipts were $36,316,000.
- In 1981, the per capita expenditure was $19.20.

Given that these theatres are profit oriented, it appears reasonable to assume that at least a 12% profit is appropriate. With this assumption, expenditures of $30,000,000 would be made by the movie industry, most of which would leave the Province immediately for royalties. However, some of this expenditure is made within the Province (salaries, food services, maintenance, administration, etc.). This expenditure, if measured and part of this Study, would again have increased the economic and employment impact.

2.8.3 Other Inputs

The same position as presented above (libraries and movie theatres) can also be applied to those institutions, individuals and companies not included in the Study. It also includes the vast network of teaching.

Based on this section of the Report (i.e. Section 2.8), it is clearly obvious that the range of economic and employment impact stated herein, is very conservative when compared to all the arts categories.

It is inevitably only a rough measure of the potential order of magnitude of the economic role of a portion of the province's diverse total arts sector.

2.9 OUT-OF-PROVINCE EXPENDITURES

In applying the same methodology of 'grossing-up' survey results and adding Case Study data, it is estimated that approximately $34 million of 'Arts' expenditure is made outside the province of Alberta. The 90% of that expenditure which remains out-of-province, when multiplied by the economic impact suggests that an approximate impact of $78 million is lost by the Alberta economy through out-of-province expenditures in the 'Arts' sector. Through the Case Studies, it was learned that a number of reasons account for this expenditure pattern, as outlined below.

1) Sophisticated production equipment, like cameras and recording consoles, are not available from an Alberta manufacturer and, in many cases, must even be ordered through an out-of-province organization.

2) Costumes, dance shoes, etc., for performing artists are very often ordered from non-Alberta suppliers (i.e. from both Ontario and Britain).

3) Many live theatre producers believe that backdrops and drapes of an adequate quality are only available from Britain. This perception may not be totally well founded and could simply be a function of established purchasing patterns and a tight supplier network.

4) Works of art for resale in provincial galleries are very often drawn from an international marketplace on the basis of consumer demand and gallery management.

5) Travel expenses, in some cases, must be out-of-province expenditures for accommodation, food and other incidentals.

6) Touring groups must also, by their very nature, make out-of-province expenditures.

2.10 RE-CAPTURE OF OUT-OF-PROVINCE EXPENDITURES

Out-of-province expenditures are made in virtually every organization for one of the following reasons:

- relative cost,
- availability,
- prestige of ownership,
- resale market demands, or
- on-site, out-of-province purchases.

The expenditure areas that tend to include large out-of-province expenditures include:

- travel,
- payment to touring groups and guest artists from other areas,
- high technology equipment purchase,
- gift and souvenir items,
- costumes and fabrics for theatre, opera and other performing arts, and
- art work for resale.

In terms of recapture of these expenditures within Alberta, there do not appear to be any immediate or dramatic remedies.

1. Travel

By necessity of majority of expenditure within this area must be made out-of-province.

Even if all travel tickets and reservations could be made prior to departure, the only benefit to Alberta would be the commissions to travel agents for those reservations. From the surveys, which represent some 20% of the 'Arts', only $200,000 was spent out-of-province on travel. At a normal commission rate of around 10% the potential benefit is only in the area of $20,000.

2. Payment to Touring Groups and Guest Artists from Other Areas

Again, by necessity, this expenditure must be made out-of-province. The actual amount of this expenditure is not totally clear from the study results, because expenditures are shown in the general production category in some cases, and in the touring category in others.

3. High Technology Equipment Purchase

In the recording, broadcast, film and other similar 'Arts' categories, producers purchase equipment on the basis of quality, service, and price.

The equipment used tends to be sophisticated and produced by major international suppliers for the world market. A recapture of this expenditure would require the development of an economic climate here in Alberta that would attract such world scale producing corporations.

4. Gift and Souvenir Items

There may be some opportunity for recapture of expenditure in this area. It is apparent through the study results that similar organizations are buying dramatically varying levels of giftware offshore. This variance may be a function of established purchase patterns or the perception that there do not exist price-competitive producers of souvenirs here in Alberta. In many cases, this perception is untrue. There does appear to be an opportunity here for Alberta producers to improve upon their marketing and promotional programs to increase their own market penetration in this province.

5. Costumes and Fabrics for Theatre, Opera and Other Performing Arts

In some cases, there are no Alberta producers of certain goods. An example of this would be ballet shoes which are virtually all purchased from out-of-province sources. In a case like this, volumes tend to be so limited as to make the establishment of an Alberta manufacturer solely for local supply not a commercially viable concept. In other situations, for example draperies and costumes for performing arts, there is a clear preference for purchase of goods from off-shore suppliers (like Britain). That preference may stem from established purchase networks, prestige associated with the use of some items, and the perception that the quality of locally produced material is inadequate. The establishment of images and perceptions of quality is a long term marketing priority that should be undertaken by local suppliers. They must be totally aware, however, that dramatic and rapid change in purchase behaviour does not normally occur.

6 Art Work for Resale

A number of commercial art galleries purchase significant quantities of art from auction houses, galleries, and private collections in other provinces (and countries). Although art dealers have discretion to promote those artists or pieces of art they choose, they must generally target toward established market demands. The market in Alberta seeks works of art from both in-province and out-of-province producers. The attraction to Alberta of producing artists is an alternative in attempting to recapture dollars sent out-of-province. However, the mobility of an artist's production environment makes his choice of domicile a very personal one.

In summary, it does not appear, from the study results, that significant immediate opportunities exist (in terms of increasing total economic benefit to Alberta) through the recapture of out-of-province expenditures.

CHAPTER 3

SUMMARY AND CONCLUSIONS

STUDY PROCESS

The Study process was as rigorous as possible within the time and resources allotted for the completion of the project. Several mutually exclusive methods were employed that were designed to allow for 'confidence checks' on the primary economic and employment data sources - the mail-out survey. The main checks used were:

- the case studies
- the literature
- the interviews and workshops
- the follow-up activity to the survey response

Based on the results of these 'checks' (see Report for details), we believe that the data used to calculate the economic and employment impact is acceptable, although the reliability of the estimate cannot be established using the standard rules of statistical inference.

The methodology used to calculate the impacts is relatively simple and straightforward. It is detailed within the body of the Report. The primary condition that must be highlighted is the confidence one has in assuming that the 21% response rate is representative of the universe. Clearly, if the artistic groups were more homogeneous, the confidence would be higher. However, given the great variety in the 'Arts' sector, the 'grossing-up' process used in the Study results in a less than ideal level of confidence. With the 'checks' noted above and extensive discussion with others heavily involved in the arts and economic impacts, however, the results of the process used are considered reasonable and do, in our view, approximate the actual economic and employment impact of those art categories used in the Study.

STUDY SCOPE

It is essential that when reviewing this report, the reader be fully cognizant of the scope of the study. 'Arts' were not defined in the study. Rather, the scope was based on selected criteria that allowed us to specify what the study, and the figures, actually refer to. The Report does not purport to cover all of the 'Arts'. Neither does the Study purport to justify or legitimize the personal or social relevance of the arts, through a measurement of their economic impacts. Significant exclusions are:

- amateur artists
- teaching and education (institutions and students)
- industrial art
- libraries
- movie theatres
- bookstores
- historic sites, building conservation and archives
- zoos, planetaria, botanical gardens
- magazines and periodicals
- video and metal artists, craft shows
- taverns and other similar venues
- promoters and performers (rock, etc.)
- many aspects of the motion picture industry
- television and radio broadcasting

Also, due to the 'point-in-time' nature of the study, no new capital projects were included.

THE FINDINGS

The estimated economic impact of the 'Arts' in Alberta is likely to lie in the range of $454M to $555M. The employment impact is estimated at:

- full-time 2,300
- part-time 3,400
- volunteers 8,820
- salaries and benefits $65M to $70M

In addition the Arts may be having an effect through the qualitative impact they have on the general business environment, and in particular by the positive influence they may exert on the locational decisions of high technology firms.

The potential for the economic growth of the 'Arts' in Alberta appears to be relatively high. Many of the 'Arts' categories studied can be considered 'footloose'. Therefore, the art product can be produced here and exported to the world marketplace. Although the Albertan marketplace has not been satisfied, its size limits the potential. Export is required for the potential growth to be realized.

APPENDIX I

THE SURVEY INSTRUMENTS

Woods Gordon

ECONOMIC IMPACT OF THE

ARTS IN ALBERTA

(INDIVIDUALS SURVEY)

A. Preliminary Information

1. Name _____

2. Address _____

3. Phone _____

B. Expenditures

Please complete the following table for the expenditures you made in 1983 that are only associated with your activities in the Arts (your most recent full year of expenditures).

Expenditure Area	(A) Total Expenditure	(B) Amount of Total Expenditure (A) Spend Out of Alberta
(a) Maintenance and overhead (includes expenditures you have made for studio rental, fuel and utilities for studio space if you own it, mortgage payments associated with facilities or buildings you own, maintenance costs, insurance, etc.)	$_____	$_____
(b) Goods and Services		
1. Administrative services (includes telephone, postage, legal, accounting, office supplies, etc.)	$_____	$_____
2. Travel (includes meals, lodging, transportation, etc.)	$_____	$_____
3. Materials (includes materials that you purchase to produce the work - e.g. paint, glass, film, costumes, etc.)	$_____	$_____
4. Production purchases (includes framing, sound services, printing, exhibitions, camera-men, publishing, etc.)	$_____	$_____
5. Royalties	$_____	$_____
6. Other (please specify)		
(i) _____	$_____	$_____
(c) Capital Items		
1. Major Equipment	$_____	$_____
2. Other (please specify)		
(i) _____	$_____	$_____

The 'Total Expenditures' column (A) should equal your total expenditures for 1983.

C. Sources of Income

Please complete the following table on the sources of income you have that is only associated with your activities in the arts.

	Income for 1983
Gross sales (that income solely associated with sales, contracts for services or royalties, etc.)	$_____

D. Personnel

1. Please complete the table below for your organization. The number of full-time staff, part-time staff and volunteers you enter into the following table should be the maximum number of people for the year 1983. Therefore, if you started the year with 4 full-time administrators but completed the year with 3, you would enter in the number 4.

Category	Full-Time Personnel		Part-Time Personnel			
	No.	Man-Month Total	No.	Man-Month Total	Days Worked in 1983	
Administration						
Artistic						
Other (please specify, e.g. technician, security, etc.)						
Total						

Note: Every one of your employees associated with your production services should be placed in one of the categories above.

2. What was the total amount paid to your full-time and part-time personnel associated with your production services in 1983?

Category	Full-Time Personnel	Part-Time Personnel
Total Salaries		
Total Benefits		
Grand Total		

Woods Gordon

ECONOMIC IMPACT OF THE

ARTS IN ALBERTA

(BUSINESS SURVEY)

A. Preliminary Information

1. Total 16 mm footage shot: 1981 ____ 1982 ____ 1983 ____

2. Total 35 mm footage shot: 1981 ____ 1982 ____ 1983 ____

3. Total video tape time recorded: 1981 ____ 1982 ____ 1983 ____

B. Expenditures

Please complete the following table for the expenditures your company made in 1983 that are only associated with it's activities in the Arts (your most recent full year of expenditures).

Expenditure Area	(A) Total Expenditure	(B) Amount of Total Expenditure (A) Spend Out of Alberta
(a) Maintenance and overhead (includes expenditures you have made for studio rental, fuel and utilities for studio space if you own it, mortgage payments associated with facilities or buildings you own, maintenance costs, insurance, etc.)	$_____	$_____
(b) Goods and Services		
1. Administrative services (includes telephone, postage, legal, accounting, office supplies, etc.)	$_____	$_____
2. Travel (includes meals, lodging, transportation, etc.)	$_____	$_____
3. Materials (includes materials that you purchase to produce the work - e.g. paint, glass, film, costumes, etc.)	$_____	$_____
4. Production purchases (includes framing, sound services, printing, exhibitions, camera-men, publishing, etc.)	$_____	$_____
5. Royalties	$_____	$_____
6. Costs of Equipment Rental	$_____	$_____
7. Laboratory Expenses	$_____	$_____
8. Other (please specify)		
(i) _____	$_____	$_____
(c) Capital Items		
1. Major Equipment	$_____	$_____
2. Other (please specify)		
(i) _____	$_____	$_____

The 'Total Expenditures' column (A) should equal your total expenditures for 1983.

C. Sources of Income

Please complete the following table on the sources of income you have that is only associated with your activities in the arts.

Income Area	Income for 1983
(a) Earned income (that income solely associated with sales, contracts for your services or royalties)	$_____
(b) Government/other organizations grants, subsidies, scholarships (all levels of government)	$_____

Woods Gordon

ECONOMIC IMPACT OF THE ARTS IN ALBERTA (INSTITUTION SURVEY)

A. Preliminary Information

1. Name of Institution _____

   Address _____

   _____ Phone _____

2. Contact Person _____ Position _____

B. Attendance

1. What was the total number of paid and unpaid admissions to your institution or to your performances for the last three years (including touring presentations and discounted admissions)?

   PAID ADMISSIONS

   1981 _____ 1982 _____ 1983 _____

   UNPAID ADMISSIONS

   1981 _____ 1982 _____ 1983 _____

2. Please complete the following information for your paid and unpaid attendance in 1983.

PAID ATTENDANCE		UNPAID ATTENDANCE	
Percent municipal residents	%	Percent municipal residents	%
Percent from rest of Alberta	%	Percent from rest of Alberta	%
Percent from outside Alberta	%	Percent from outside Alberta	%

If you do not have accurate figures please provide estimate. If you provided estimates, please check this box. ☐

3. If your institution is a museum, art gallery or similar facility, what was the average duration of the visitor stay at your facility? _____ hours

C. Personnel

1. Please complete the table below for your organization. The number of full-time staff, part-time staff and volunteers you enter into the following table should be the maximum number of people for the year 1983. Therefore, if you started the year with 4 full-time administrators but completed the year with 3, you would enter in the number 4.

Woods Gordon

D. Other Expenditures (continued)

Expenditure Area	(A) Total Expenditure	(B) Amount of Total Expenditure (A) Spent Out of Province
(a) Maintenance and overhead (includes fuel, utilities, rental of facilities, mortgage payments, loans payments, maintenance, insurance, etc.)	$_____	$_____
(b) Goods and Services		
1. Administrative services (includes telephone, general photocopying, postage, legal, accounting, office supplies, etc.)	$_____	$_____
2. Travel costs for your organization (includes meals and lodging, transportation, etc.)	$_____	$_____
3. Giftshop, souvenirs, food and beverages bought for resale	$_____	$_____
4. Acquisitions for libraries, displays, collections	$_____	$_____
5. Production purchases (includes scripts, props, cosmetics, major printing, binding - both purchase and rental)	$_____	$_____
6. Arts and crafts supplies	$_____	$_____
7. Royalties	$_____	$_____
8. Touring groups/individuals brought in on contract	$_____	$_____
9. Other (please specify)		
(i) _____	$_____	$_____
(c) Capital Items		
1. Land	$_____	$_____
2. New Construction	$_____	$_____
3. Renovations	$_____	$_____
4. Major Equipment	$_____	$_____
5. Other (please specify)		
(i) _____	$_____	$_____

The 'Total Expenditures' column should equal your organization's total expenditures for 1983.

Category	Full-Time Personnel		Part-Time Personnel				Volunteers (no remuneration)			
	No.	Man-Month Total	No.	Man-Month Total	Days Worked in 1983		No.	Man-Month Total	Days Volunteered in 1983	Service Provided
Admin.*										
Artistic										
Other (please specify, e.g. technician, security, etc.)										
Total										

*Administration includes Board members under the Volunteer category.

Note: Every one of your employees should be placed in one of the categories above.

2. What was the total amount paid to your full-time and part-time personnel in 1983?

Category	Full-Time Personnel	Part-Time Personnel
Total Salaries		
Total Benefits		
Grand Total		

D. Other Expenditures

A critical part of this Study is to determine the amount of money that is being spent by 'Arts' organizations and where the money is being spent. Based on your actual expenditures in 1983 (most recent full year of expenditure), please fill in the following information.

Column (B) 'Amount of Total Expenditure (A) Spent Out Of Province' refers to the expenditures you made which left Alberta. For example, if there was a touring group that you paid for, that expenditure should be entered in the (B) column.

E. Sources of Income

1. Please complete the following table on sources of income for your operation.

Category	Income - 1983
Earned income (box office receipts, memberships, subscriptions, receipts from touring presentations, sales, concessions/food services, parking, souvenirs, services provided, etc.)	$_____
Combined Government grants (all levels, rebates, tax relief)	$_____
Donations, gifts, fundraising, investment income, etc.	$_____

2. Another agency may be providing you with indirect financial support that may not show up in your budget. If this is the situation for you please estimate what the value of this indirect financial support (for example, some municipal agencies provide free or apply a nominal fee for rental space for performances or rehearsal; others may provide the janitorial service or building maintenance or help with advertising; others servicing a debt or providing a loan guarantee). If required, please describe your situation.

_____

_____

_____

_____

_____

_____

Woods Gordon

ECONOMIC IMPACT OF THE

ARTS IN ALBERTA

(BUSINESS SURVEY - B)

A. Preliminary Information

Name _____

Address _____

Contact _____ Phone _____

B. Expenditures

Please complete the following table for the expenditures your company made in 1983 that are only associated with it's activities in the Arts (your most recent full year of expenditures).

Expenditure Area	(A) Total Expenditure	(B) Amount of Total Expenditure (A) Spend Out of Alberta
(a) Maintenance and overhead (includes expenditures you have made for studio rental, fuel and utilities for studio space if you own it, mortgage payments associated with facilities or buildings you own, maintenance costs, insurance, etc.)	$_____	$_____
(b) Goods and Services		
1. Administrative services (includes telephone, postage, legal, accounting, office supplies, etc.)	$_____	$_____
2. Travel (includes meals, looging, transportation, etc.)	$_____	$_____
3. Materials (includes materials that you purchase to produce the work - e.g. paint, glass, film, costumes, etc.)	$_____	$_____
4. Production purchases (includes framing, sound services, printing, exhibitions, camera-men, publishing, etc.)	$_____	$_____
5. Royalties	$_____	$_____
6. Costs of Equipment Rental	$_____	$_____
7. Laboratory Expenses	$_____	$_____
8. Other (please specify)		
(i) _____	$_____	$_____
(c) Capital Items		
1. Major Equipment	$_____	$_____
2. Other (please specify)		
(i) _____	$_____	$_____

The 'Total Expenditures' column (A) should equal your total expenditures for 1983.

C. Sources of Income

Please complete the following table on the sources of income you have that is only associated with your activities in the arts.

	Income for 1983
Gross sales (that income solely associated with sales, contracts for services or royalties, etc.)	$____ _____

D. Personnel

1. Please complete the table below for your organization. The number of full-time staff, part-time staff and volunteers you enter into the following table should be the maximum number of people for the year 1983. Therefore, if you started the year with 4 full-time administrators but completed the year with 3, you would enter in the number 4.

Category	Full-Time Personnel		Part-Time Personnel			
	No.	Man-Month Total	No.	Man-Month Total	Days worked in 1983	
Administration						
Artistic						
Other (please specify, e.g. technician, security, etc.)						
Total						

Note: Every one of your employees associated with your production services should be placed in one of the categories above.

2. What was the total amount paid to your full-time and part-time personnel associated with your production services in 1983?

Category	Full-Time Personnel	Part-Time Personnel
Total Salaries		
Total Benefits		
Grand Total		

APPENDIX II

DECISION RULES RELATING TO THE SURVEY VERIFICATION PROCESS

Where it appeared that values were missing or a misunderstanding of the intent of a question occurred, one or more of the following decision rules were applied to validate the survey and reflect the probable appropriate response.

EMPLOYMENT AND SALARIES

1. Where an entry of zero occurred, it was accepted as a real value. A blank was accepted as a non-response, not a zero value.

2. When a full-time employee was recorded without a corresponding value for man-months, a value of 12 months per full-time employee was used.

3. One man-month of employment equals 20 working days.

4. When a part-time employee was recorded without a corresponding value for man-months (or vice versa), a value of 1 man-month per year per part-time employee was used.

5. Where a full-time employee was recorded with no apparent salary reference, a salary of $20,000 was ascribed to that employee.

6. Where part-time employment was recorded with no apparent salary reference, a salary of $1,000 per man-month was ascribed.

7. Where it was apparent that salaries were not included in total expenditures, it was added (unless apparent, in the "Other" category). In cases where the magnitude of maintenance and administrative expenditures were sufficient to include recorded salaries, it was accepted at face value.

EXPENDITURES

8. In the cases where out-of-province expenditure exceeded total expenditure, it was assumed that the "total expenditure" entry actually reflected in-province expenditure.

9. A blank in an expenditure area was accepted as a zero, where values in other areas had been entered.

APPENDIX III

DETAILED SURVEY RESULTS FOR EMPLOYMENT, SALARY, BENEFITS & VOLUNTEERS

EMPLOYMENT, SALARY, BENEFITS AND VOLUNTEERS INVOLVED IN THE ARTS
SURVEY RESULTS

PERSONNEL CATEGORY		INSTITUTIONS[1]				BUSINESSES[2]				TOTAL			
		N	RANGE	MEAN	TOTAL	N	RANGE	MEAN	TOTAL	N	RANGE	MEAN	TOTAL
No. Full Time	- Administrative	34	1-16	3.6	122	19	1-4	1.9	37	53	1-16	3.0	159
	- Artistic	17	0-62	7.1	121	7	1-4	2.0	14	24	0-62	5.6	135
	- Other	21	0-26	4.8	101	5	0-7	1.6	7	26	0-26	4.2	108
	- Total	35	1-75	11.0	385	21	1-10	2.9	61	56	1-75	8.0	446
No. Man Months	- Administrative	33	9-300	53.4	1,762	20	1-36	19.6	391	53	1-300	40.6	2,153
	- Artistic	15	0-561	99.9	1,499	7	12-38	22.3	155	22	0-561	75.2	1,654
	- Other	19	0-387	63.9	1,214	4	0-60	18.0	73	23	0-387	56.0	1,287
	- Total	34	5-717	119.9	4,077	20	12-120	32.2	644	54	5-717	87.4	4,721
No. Part Time	- Administrative	25	0-66	5.6	140	12	1-7	2.3	27	37	0-66	4.5	167
	- Artistic	14	0-143	14.8	207	6	0-21	7.8	47	20	0-143	12.7	254
	- Other	20	1-244	16.7	334	4	0-9	2.8	11	24	0-244	14.4	345
	- Total	36	1-244	18.6	370	15	1-31	5.7	86	51	1-244	14.8	756
No. Part Time Man-Months	- Administrative	26	0-162	16.9	439	12	1-20	5.4	65	38	0-162	13.3	504
	- Artistic	13	0-390	52.0	676	7	0-24	9.4	66	20	0-350	37.1	742
	- Other	18	1-999	70.4	1,267	4	0-10	4.0	17	22	0-999	58.4	1,284
	- Total	35	0-999	64.2	2,247	15	1-40	9.7	147	50	0-999	47.9	2,394
No. Volunteers	- Administrative	55	1-185	19.1	1,051					55	1-185	19.1	1,051
	- Artistic	15	0-140	23.3	350					15	0-140	23.3	350
	- Other	18	1-175	32.6	587					18	1-175	32.6	587
	- Total	55	1-300	35.4	1,947					55	1-300	35.4	1,947
No. Man Months Volunteers	- Administrative	49	1-990	40.5	1,984					49	1-990	40.5	1,984
	- Artistic	11	1-990	101.3	1,111					11	1-990	101.3	1,111
	- Other	11	1-270	38.6	425					11	1-270	38.6	425
	- Total	54	1-990	65.2	3,520					54	1-990	65.2	3,520
Full Time Salaries and Benefits		42	0 - 1.6M	226K	9.5M	17	1.5K-142K	43K	733K	59	0 - 1.6M	173K	10.2M
Part Time Salaries and Benefits		37	0 - 1.2M	72K	2.7M	9	2K - 44K	15K	139K	46	0 - 1.2M	61K	2.8M

1. Institutions includes: museums, public art galleries, craft shows, drama facilities, drama groups, dance groups, music groups, sponsoring organizations and festival organizations.
2. Businesses includes: publishers, commercial art galleries, private dealers/consultants, art foundries, collectors, and the entire 'Film' category.

SOURCE: Woods Gordon, 1984.

APPENDIX IV

DETAILED SURVEY RESULTS FOR EXPENDITURES

APPENDIX V

EXPENDITURES AND REVENUE BY INDIVIDUALS, BUSINESSES AND INSTITUTIONS INVOLVED IN THE ARTS

SURVEY AND CASE STUDY RESULTS

EXPENDITURE AREA		INDIVIDUALS								BUSINESSES								INSTITUTIONS							
		TOTAL EXPENDITURES				OUT-OF-PROVINCE				TOTAL EXPENDITURES				OUT OF PROVINCE				TOTAL EXPENDITURES				OUT-OF-PROVINCE			
		N	RANGE	MEAN	TOTAL	N	RANGE	MEAN	TOTAL	N	RANGE	MEAN	TOTAL	N	RANGE	MEAN	TOTAL	N	RANGE	MEAN	TOTAL	N	RANGE	MEAN	TOTAL
1. Maintenance	S	92	16-60,000	3,198	294,198	5	5-13,500	4,586	22,930	19	4100-1194300	29,841	566,979	2	1,000-1,973	1,517	3,033	60	63-10[illegible]	53,458	3,207,480	1	140	140	140
	CS	1	42,251	42,251	42,251	0	0	0	0	1	36,000	36,000	36,000	0	0	0	0	8	378-1,[illegible]	645,217	5,161,[illegible]	0	0	0	0
2. Administration	S	116	5-10,000	756	86,660	13	5-1,573	281	3,648	25	600-190,660	37,865	936,625	1	399	399	399	64	1-1942[illegible]	120,570	8,292,490	2	50-2,[illegible]	1,225	2,450
	CS	2	5[illegible] 272K	38,873	277,746	0	0	0	0	4	69K-309K	206,014	824,256	1	54,597	54,597	54,597	10	60K-2,9[illegible]		6,493,447	1	4K	4K	4K
3. Travel	S	94	19-17,750	1,472	138,406	16	10-15,000	1,699	53,553	18	187-67,000	8,901	160,213	10	1000-45000	8,761	87,613	39	12-80,623	5,854	228,314	10	380-20,930	5,951	59,510
	CS	1	1,000	1,000	1,000	1	50	50	50	3	10K-41K	23,795	71,384	3	10K-31K	17,000	51,000	4	19K-213K	86,346	345,384	1	57,[illegible]	57,[illegible]	57,[illegible]
4. Production	S	71	25-9,500	1,317	99,484	8	124-9,000	1,677	13,418	16	300-107,810	33,920	542,720	9	1766-102430	28,018	252,162	29	6-[illegible]3[illegible]	38,075	113,318	7	500-20,000	3,633	25,869
	CS	1	140,749	141K	140,749	0	0	0	0	4	20K-612K	194,466	777,866	1	107,457	107,457	107,457	7	21K-218K	705,333	4,937,334	6	12K-[illegible]	167,[illegible]	1,004,147
5. Royalties	S	6	20-6,110	1,596	9,574	1	20	20	20	6	1134-26923	11,802	70,812	4	934-6,814	4,065	16,259	7	100-11[illegible]	19,774	138,418	3	100-3,[illegible]	1,357	4,070
	CS	0	0	0	0	0	0	0	0	1	79,924	79,924	79,924	0	0	0	0	2	5K-6[illegible]	35,775	71,550	1	55,[illegible]	55,[illegible]	55,[illegible]
6. Materials	S	102	15-21,760	1,352	137,924	21	23-11,000	1,312	27,546	16	100-133[illegible]	114,600	1,833,600	6	8K-126240	227,040	1,362,760	22	15-[illegible]0,[illegible]	29,080	630,980	2	500-26,[illegible]	13,613	27,225
	CS	2	1K-72K	36,497	72,995	1	15,200	15,200	15,200	4	5K-3,[illegible]K	[illegible],619	3,206,475	3	5K-2,[illegible]K	679,333	2,038,000	6	38K-229K	108,945	653,669	4	8K-11[illegible]	43,635	174,540
7. Equipment	S	0	0	0	0	0	0	0	0	7	467-10,[illegible]	2,554	17,877	0	0	0	0	19	100-175680	14,582	277,058	5	50-[illegible]	3,951	19,755
	CS	0	0	0	0	0	0	0	0	1	51,863	51,863	51,863	0	0	0	0	3	10K-25[illegible]	98,351	295,053	3	10K-12[illegible]	18,172	54,515
8. Gift Shop	S	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	CS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	[illegible]0K-29[illegible]	165,647	496,942	2	27[illegible] 20[illegible]	136,249	272,498
9. Libraries	S	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Arts & Crafts	S	0	0	0	0	0	0	0	0	2	11200-23000	17,100	34,200	1	5,000	5,000	5,000	10	12-11,000	2,563	25,630	0	0	0	0
11. Touring	S	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37	572-311330	29,020	1,066,340	21	370-[illegible]	21,050	441,349
	CS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	825-309	155,012	310,024	2	578-[illegible]	9,[illegible]	18,[illegible]
12. Others	S	50	40-57,879	2,763	138,150	12	70-2,750	710	8,520	12	700-40,000	12,548	150,576	4	110-40,000	10,317	41,268	39	12-195[illegible]	117,340	4,576,260	5	60-[illegible]	[illegible],[illegible]	1,893,600
	CS	0	0	0	0	0	0	0	0	3	151-339K	146,050	439,151	0	0	0	0	5	10K-23[illegible]	110,436	552,182	0	0	0	0
13. Major Capital Equipment	S	50	10-35,000	2,972	146,100	6	10-8,500	2,431	14,595	10	254-25,000	6,503	65,030	2	1,700	1,700	1,700	18	5K-716[illegible]	58,782	1,058,076	3	1357-[illegible]	14,[illegible]	42,971
	CS	0	0	0	0	0	0	0	0	1	500,000	500,000	500,000	1	500,000	500,000	500,000	3	78K-25[illegible]	148,987	446,962	1	54,[illegible]	54,[illegible]	54,[illegible]
14. Land	S	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15. New Construction	S	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	24,530-[illegible]	1872[illegible]	7,[illegible],000	1	150,000	150,000	150,000
16. Renovation	S	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15	132-1,[illegible]	163,[illegible]	2,445,[illegible]	0	0	0	0
17. Other Capital	S	35	5-21,964	3,694	129,294	5	115-1,[illegible]	446	2,232	1	20,000	20,000	20,000	0	0	0	0	18	23-[illegible]1[illegible]	63,[illegible]	1,135,656	3	500-21,[illegible]	9,777	29,332
	CS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	[illegible]1,423	[illegible]1,423	[illegible]1,423	1	44,[illegible]	44,[illegible]	44,[illegible]
TOTALS	S				1,178,790				146,252				4,399,632				1,775,184				[illegible],[illegible],160				2,375,112
	CS				534,741				15,250				5,915,919				2,751,054				19,[illegible],[illegible]				1,[illegible],[illegible]

S - Survey Results
CS - Case Study Results

APPENDIX V

A DESCRIPTION OF THE ECONOMIC MULTIPLIERS IDENTIFIED AND SELECTED

Through the literature review, 22 multipliers were identified. These are summarized below.

Source	Multiplier
1. Kansas City (1)	1.56 - input/output 2.17 - basic/non-basic 2.85 - marginal propensity to consume
2. Vancouver (2)	3.50
3. Baltimore (3)	2.85
4. Metro Washington (6)	2.00
5. San Fransisco Ballet (6)	2.22
6. Connecticut (6)	2.40
7. Minneapolis-St. Paul Guthrie Theatre Study (6)	2.50
8. Broadway Theatre, New York (6)	2.50
9. Syracruse, New York,	2.50
10. Lake Placid, New York Centre for Music, Drama and Arts	3.00
11. Stratford, Ontario	2.5 - 3.0 (2.75)
12. New England (8)	3.38
13. Connecticut (8)	2.89
14. Maine (8)	2.34
15. Massachusetts (8)	3.16
16. New Hampshire (8)	2.44
17. Rhode Island (8)	2.51
18. Vermont (8)	2.21
19. Ontario (4)	2.50
20. Perloff's Multiplier (9)	2.60

Grouping of the multipliers indicates that the range is 1.56 to 3.50 with a median of 2.50.

The median of 2.50 was selected for use in this study. This appears reasonable to us for the following reasons:

1. The 22 multipliers identified were all developed on a mutually exclusive basis.

2. The 22 multipliers generally arrange themselves in a normal bell curve configuration. There are no extremes that skew the multipliers.

3. Based on the literature reviews, we have no reason to assume that other multipliers, developed in other studies would be of sufficient difference to the 22 identified in this study, that would cause the distribution presented above to significantly alter.

To further appreciate the economic role of the 'Arts' in Alberta the gross economic impact multipliers suggested by the literature may be compared with the 'Gross Output' multiplier computed by the Alberta Bureau of Statistics for a number of other sectors in the provincial economy.[1]

Commodity	Employment	Gross Output
Live Animals	.784	2.706
Grains	.667	2.302
Forestry Products	.928	2.786
Crude Mineral Oils	.233	2.098
Natural Gas	.233	2.098
Textile Products	.032	.124
Printing and Publishing	.352	1.306
Agricultural Machinery	.013	.059
Wholesale and Retail Trade	1.062	2.983
Radio and Television Broadcasting	.771	2.548
Finance, Insurance and Real Estate	.278	1.912
Business Services	.853	2.782

The 'Arts' sector in Alberta employing something in the order of five to six thousand people (full or part-time) with a total output multiplier of about 2.5 is a very important sector in the province's total economy.

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1. See Alberta Bureau of Statistics, Economic Multipliers for Alberta Industries and Commodities, Edmonton, March 1984. We use the total commodity multipliers, taking into account leakages.

APPENDIX VI

SUMMARY OF LITERATURE REVIEW AND BIBLIOGRAPHY

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